

BANK INDONESIA REGULATION  
NUMBER: 10/20/PBI/2008  
CONCERNING  
AMENDMENT TO BANK INDONESIA REGULATION NUMBER  
7/1/PBI/2005 CONCERNING BANK FOREIGN BORROWINGS

BY THE GRACE OF THE ALMIGHTY GOD

THE GOVERNOR OF BANK INDONESIA,

- Considering :
- a. whereas noting the condition of the global economy that has impacted the condition of the domestic financial market;
  - b. whereas these developments on the domestic financial market call for an appropriate response from all parties to ensure a conducive atmosphere for the economy;
  - c. whereas the provisions concerning foreign borrowings need to be brought into line with developments in the banking system and domestic financial market while continuing to uphold prudential principles;
  - d. now therefore, based on the considerations set forth in letter a, letter b, and letter c, it is deemed necessary to enact an amendment to the Bank Indonesia Regulation concerning Bank Foreign Borrowings in a Bank Indonesia Regulation;

- In view of : 1. Act Number 7 of 1992 concerning Banking (State Gazette of the Republic of Indonesia Number 31 of 1992, Supplement to the State Gazette of the Republic of Indonesia Number 3472), as amended by Act Number 10 of 1998 (State Gazette of the Republic of Indonesia Number 182 of 1998, Supplement to the State Gazette of the Republic of Indonesia Number 3790);
2. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Number 66 of 1999, Supplement to the State Gazette of the Republic of Indonesia Number 3843) as amended by Act Number 3 of 2004 (State Gazette of the Republic of Indonesia Number 7 of 2004, Supplement to the State Gazette of the Republic of Indonesia Number 4357);
3. Act Number 24 of 1999 concerning Foreign Exchange Flows and the Exchange Rate System (State Gazette of the Republic of Indonesia Number 67 of 1999, Supplement to the State Gazette of the Republic of Indonesia Number 3844);

HAS DECREED:

To enact : THE BANK INDONESIA REGULATION CONCERNING AMENDMENT TO BANK INDONESIA REGULATION NUMBER 7/1/PBI/2005 CONCERNING BANK FOREIGN BORROWINGS.

#### Article I

Some of the provisions in Bank Indonesia Regulation Number 7/1/PBI/2005 concerning Bank Foreign Borrowings (State Gazette of the Republic of Indonesia Number 3 of 2005, Supplement to the State Gazette of the Republic of Indonesia Number 4467) are amended as follows:

1. Article 4 is deleted.
2. Article 5 is deleted
3. Article 14 paragraph (1) is deleted so that Article 14 reads as follows:

#### Article 14

- (1) Deleted.
- (2) Any Bank failing to comply with provisions referred to in Article 6 paragraph (2) shall be liable to a financial penalty of 1% (one percent) per annum of the shortfall for each day.
- (3) Any Bank failing to comply with provisions referred to in Article 8 paragraph (1) shall be liable to a financial penalty of 0.2% (zero point two percent) of the amount of borrowing received.
- (4) Any Bank failing to comply with the provisions referred to in Article 8 paragraph (2) shall be liable to a financial penalty of 0.2% (zero point two percent) of the excess over the amount approved by Bank Indonesia.
- (5) Any Bank violating the provisions referred to in Article 12 paragraph (1) shall be liable to a financial penalty of Rp 100,000.00 (one hundred thousand rupiahs) per working day to a maximum of Rp 5,000,000.00 (five million rupiahs).
- (6) If in the opinion of Bank Indonesia there are fundamental changes in regard to terms and conditions as referred to in Article 12 paragraph (2)

and ...

and the Bank is unable to provide satisfactory explanation, Bank Indonesia may impose administrative sanctions in the form of:

- a. written warning; and/or
- b. prohibition on taking on Foreign Borrowings for a specified period.

## Article II

This Bank Indonesia Regulation shall come into force on the date of its enactment with retroactive effect from 13 October 2008.

For the public to be informed, it is ordered that this Bank Indonesia Regulation be promulgated in the State Gazette of the Republic of Indonesia.

Enacted in: Jakarta

Dated: 14 October 2008

THE GOVERNOR OF BANK INDONESIA

(signed)

BOEDIONO

Promulgated in Jakarta

14 October 2008

THE MINISTER FOR LAW AND HUMAN RIGHTS  
OF THE REPUBLIC OF INDONESIA

(signed)

ANDI MATTALATTA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 146 OF  
2008  
DPNP/DInt

ELUCIDATION  
TO  
BANK INDONESIA REGULATION  
NUMBER: 10/20/PBI/2005  
CONCERNING  
AMENDMENT TO BANK INDONESIA REGULATION NUMBER  
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GENERAL REVIEW

The recent condition of the global economy and the impact on domestic financial market conditions calls for an appropriate response on all parties to ensure a conducive climate for the domestic economy.

Therefore, it is necessary to amend the provisions concerning foreign borrowings in line with developments in the domestic banking system and financial market while continuing to uphold prudential principles.

To this end, as part of the effort for more efficient safeguarding of exchange rate stability and to allow banks greater room to receive Short-Term Foreign Borrowings for liquidity purposes, it has become necessary to amend the provisions restricting the daily balance of Short-Term Foreign Borrowings.

ARTICLE BY ARTICLE

Article I

Number 1

Article 4

Deleted

Number 2

Article 5

Deleted

Number 3

Article 14

Deleted

Article II

Self-explanatory

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF  
INDONESIA NUMBER 4905